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NOTICE OF *EX PARTE* PRESENTATION

January 17, 2005

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWA325
Washington, DC 20554

**Re: AT&T Corp. Petition for Declaratory Ruling Regarding Enhanced Prepaid Calling
Card Services, WC Docket No. 03-133**

Dear Ms. Dortch:

The attached written *Ex Parte* Presentation concerning the above-referenced proceeding was sent to the Commissioners by Mankato Citizens Telephone Company, Mid-Communications Inc. and Heartland Telecommunications, all d/b/a HickoryTech on January 17, 2005. In accordance with FCC Rule 1.1206(b)(1),¹ this Notice of *Ex Parte* Presentation and a copy of the *Ex Parte* Presentation are being filed with you electronically for inclusion in the public record.

Sincerely,

A handwritten signature in cursive script, appearing to read 'William VanderSluis'.

William VanderSluis
Director of Regulatory Affairs
Mankato Citizens Telephone Company d/b/a HickoryTech
Mid-Communications, Inc. d/b/a HickoryTech
Heartland Telecommunications Company of Iowa, d/b/a HickoryTech

¹ 47 C.F.R. §1.1206(b)(1).



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January 17, 2005

**EX PARTE PRESENTATION
Via E-mail**

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street, SW, Room 8 B201
Washington, DC 20554

The Honorable Michael Copps
Commissioner
Federal Communications Commission
445 12th Street, SW, Room 8 A302
Washington, DC 20554

The Honorable Kathleen Q. Abernathy
Commissioner
Federal Communications Commission
445 12th Street, SW, Room 8 B115
Washington, DC 20554

The Honorable Jonathan Adelstein
Commissioner
Federal Communications Commission
445 12th Street, SW, Room 8 C302
Washington, DC 20554

The Honorable Kevin Martin
Commissioner
Federal Communications Commission
445 12th Street, SW, Room 8 A204
Washington, DC 20554

**Re: AT&T Corp. Petition for Declaratory Ruling Regarding Enhanced Prepaid
Calling Card Services, WC Docket No. 03-133**

Dear Commissioners:

HickoryTech has received word that the Federal Communications Commission is considering action on the AT&T Petition for Declaratory Ruling Regarding Enhanced Prepaid Calling Card Services, WC Docket No. 03-133. We operate three small telephone companies and are writing you because the Commission's action on this matter is of vital importance to our customers.

AT&T has wrongfully interpreted the law that requires payment of intrastate access charges and contributions to the Universal Service Fund on telecommunications services. Moreover, AT&T has wrongfully engaged in self help by withholding intrastate access charge payments and \$160 million in USF contributions based on its inaccurate interpretation of the law. AT&T's refusal to make required contributions to the USF puts the entire universal service

system in jeopardy because it results in continuing increases in the USF contribution factor for law-abiding carriers and their subscribers, yet AT&T refuses to make required contributions.

The interjection of a recorded advertisement into the process of making a call using AT&T's prepaid calling card service does not make the service an information or enhanced service. In addition, transporting a call made using the service to an out-of-state service platform before completing it does not make the service wholly interstate in nature. The Commission should declare that AT&T's prepaid calling card service is a telecommunications service and that calls made using the service can be either interstate or intrastate depending on the end-to-end transaction of each individual call.

We urge the Commission to deny AT&T's Petition. We also urge the Commission to declare that AT&T is required to make prospective and retroactive contributions to the Universal Service Fund on the interstate revenue received from its service. We also urge the Commission to impose penalties where appropriate for AT&T's failure to make USF contributions.²

Sincerely,



William VanderSluis
Director of Regulatory Affairs
Mankato Citizens Telephone Company d/b/a HickoryTech
Mid-Communications, Inc. d/b/a HickoryTech
Heartland Telecommunications Company of Iowa, d/b/a HickoryTech

² In 2004, the Commission found that AT&T violated the law by not making interstate access charge payments on its phone-to-phone Internet protocol telephony services, but did not require AT&T to pay interstate access charges retroactively and did not impose penalties for AT&T's violation. However, in light of AT&T's blatant disregard of the law requiring payment of intrastate access charges and USF contributions in the present matter, it is imperative that the Commission impose penalties as appropriate. To do otherwise would only encourage other carriers to violate the law in order to reap illegal savings.